

Adopted	Rejected
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COMMITTEE REPORT

YES:	22
NO:	1

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1727, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 4, between lines 10 and 11, begin a new paragraph and insert:
- 2 "SECTION 3. IC 12-7-2-24.5 IS ADDED TO THE INDIANA
- 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 4 [EFFECTIVE JANUARY 1, 2002]: **Sec. 24.5. "Caretaker relative"**
- 5 **for purposes of IC 12-17.7, has the meaning set forth in**
- 6 **IC 12-17.7-1-2."**
- 7 Page 4, between lines 16 and 17, begin a new paragraph and insert:
- 8 "SECTION 4. IC 12-7-2-69 IS AMENDED TO READ AS
- 9 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 69. (a) "Division",
- 10 except as provided in subsections (b) and (c), refers to any of the
- 11 following:
- 12 (1) The division of disability, aging, and rehabilitative services
- 13 established by IC 12-9-1-1.
- 14 (2) The division of family and children established by

- 1 IC 12-13-1-1.
- 2 (3) The division of mental health established by IC 12-21-1-1.
- 3 (b) The term refers to the following:
- 4 (1) For purposes of the following statutes, the division of
- 5 disability, aging, and rehabilitative services established by
- 6 IC 12-9-1-1:
- 7 (A) IC 12-9.
- 8 (B) IC 12-10.
- 9 (C) IC 12-11.
- 10 (D) IC 12-12.
- 11 (2) For purposes of the following statutes, the division of family
- 12 and children established by IC 12-13-1-1:
- 13 (A) IC 12-13.
- 14 (B) IC 12-14.
- 15 (C) IC 12-15.
- 16 (D) IC 12-16.
- 17 (E) **IC 12-16.1.**
- 18 (F) IC 12-17.
- 19 ~~(F)~~ (G) IC 12-17.2.
- 20 ~~(G)~~ (H) IC 12-17.4.
- 21 ~~(H)~~ (I) IC 12-18.
- 22 ~~(I)~~ (J) IC 12-19.
- 23 ~~(J)~~ (K) IC 12-20.
- 24 (3) For purposes of the following statutes, the division of mental
- 25 health established by IC 12-21-1-1:
- 26 (A) IC 12-21.
- 27 (B) IC 12-22.
- 28 (C) IC 12-23.
- 29 (D) IC 12-25.
- 30 (c) With respect to a particular state institution, the term refers to
- 31 the division whose director has administrative control of and
- 32 responsibility for the state institution.
- 33 (d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term
- 34 refers to the division whose director has administrative control of and
- 35 responsibility for the appropriate state institution.
- 36 SECTION 5. IC 12-7-2-76, AS AMENDED BY P.L.128-1999,
- 37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JUNE 30, 2002]: Sec. 76. (a) "Eligible individual", for purposes of

1 IC 12-10-10, has the meaning set forth in IC 12-10-10-4.

2 (b) "Eligible individual" has the meaning set forth in
3 IC 12-14-18-1.5 for purposes of the following:

4 (1) IC 12-10-6.

5 (2) IC 12-14-2.

6 (3) IC 12-14-18.

7 (4) IC 12-14-19.

8 (5) IC 12-15-2.

9 (6) IC 12-15-3.

10 ~~(7) IC 12-16-3.~~

11 ~~(8)~~ (7) IC 12-17-1.

12 ~~(9)~~ (8) IC 12-20-5.5."

13 Page 4, between lines 36 and 37, begin a new paragraph and insert:

14 "SECTION 7. IC 12-7-2-104.5, AS ADDED BY P.L.128-1999,
15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JUNE 30, 2002]: Sec. 104.5. "Holocaust victim's settlement payment"
17 has the meaning set forth in IC 12-14-18-1.7 for purposes of the
18 following:

19 (1) IC 12-10-6.

20 (2) IC 12-14-2

21 (3) IC 12-14-18.

22 (4) IC 12-14-19.

23 (5) IC 12-15-2.

24 (6) IC 12-15-3.

25 ~~(7) IC 12-16-3.~~

26 ~~(8)~~ (7) IC 12-17-1.

27 ~~(9)~~ (8) IC 12-20-5.5.

28 SECTION 8. IC 12-7-2-110, AS AMENDED BY P.L.142-2000,
29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2003]: Sec. 110. "Hospital" means the following:

31 (1) For purposes of IC 12-15-11.5, the meaning set forth in
32 IC 12-15-11.5-1.

33 (2) For purposes of IC 12-15-18, the meaning set forth in
34 IC 12-15-18-2.

35 (3) For purposes of ~~IC 12-16~~, ~~except IC 12-16-1~~, **IC 12-16.1**, the
36 term refers to a hospital licensed under IC 16-21.

37 SECTION 9. IC 12-7-2-118.1 IS ADDED TO THE INDIANA
38 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JUNE 30, 2002]: **Sec. 118.1. "Inpatient days", for purposes of IC 12-16.1-8, has the meaning set forth in IC 12-16.1-8-1.**

SECTION 10. IC 12-7-2-131.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 131.3. "Minimum data set", for purposes of IC 12-15-41, has the meaning set forth in IC 12-15-41-1."**

Page 5, between lines 41 and 42, begin a new paragraph and insert:
"SECTION 10. IC 12-7-2-164 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 164. "Resident" has the following meaning:

(1) For purposes of IC 12-10-15, the meaning set forth in IC 12-10-15-5.

(2) For purposes of ~~IC 12-16, except IC 12-16-1~~, **IC 12-16.1**, an individual who has actually resided in Indiana for at least ninety (90) days.

(3) For purposes of IC 12-20-8, the meaning set forth in IC 12-20-8-1.

(4) For purposes of IC 12-24-5, the meaning set forth in IC 12-24-5-1.

SECTION 11. IC 12-10-12-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 27. (a) **Except as provided in subsection (b)**, the agency shall, subject to the approval of the division, designate at least one (1) individual who may authorize temporary admittance to a nursing facility under

~~(1) subsection (b); and~~

~~(2) sections 28, 30, and 31 of this chapter~~
without the approval required under this chapter.

(b) An individual designated under subsection (a) may **not** authorize temporary admittance to a nursing home **under subsection (a)** for a **resident nonresident** of Indiana. ~~if the resident:~~

~~(1) has received treatment from and is being discharged from a hospital that is located in a state other than Indiana; and~~

~~(2) will be participating in preadmission screening under this chapter.~~

~~(c) Notwithstanding a rule adopted under section 12 of this chapter, a screening team appointed to screen a nonresident under this section~~

1 ~~must:~~

2 (1) ~~conduct its assessment under section 16 of this chapter; and~~

3 (2) ~~report its findings;~~

4 ~~within ten (10) days after its appointment.~~

5 SECTION 12. IC 12-15-1-16.5 IS ADDED TO THE INDIANA
6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2001]: **Sec. 16.5. Each state department or**
8 **agency and each local governmental unit shall cooperate with the**
9 **office who shall conduct a study to examine means in which to**
10 **cover Medicaid eligible care provided by the departments,**
11 **agencies, or units with state or local funding."**

12 Page 6, line 2, delete "JANUARY 1, 2001" and insert "JULY 1,
13 2000".

14 Page 6, line 6, delete "for the period beginning January 1, 2001,
15 through June 30,".

16 Page 6, line 7, delete "2001, and for".

17 Page 6, line 7, after "1997," delete "2001" and insert "**2000**".

18 Page 6, line 21, delete "For the period beginning January 1, 2001,".

19 Page 6, delete line 22.

20 Page 6, line 23, delete "June 30, 2001, the" and insert "**The**".

21 Page 6, line 23, delete "calculate" and insert "**identify**".

22 Page 6, run in lines 21 and 23.

23 Page 6, line 25, delete "IC 16-22 or" and insert "**IC 16-22-2,**
24 **IC 16-22-8, and**".

25 Page 6, line 26, delete "calculated" and insert "**identified**".

26 Page 6, line 27, delete ", for the period beginning".

27 Page 6, delete line 28.

28 Page 6, line 29, delete "year ending after June 30, 2001,".

29 Page 6, run in lines 27 and 29.

30 Page 6, line 31, delete "IC 16-22 or" and insert "**IC 16-22-2,**
31 **IC 16-22-8, and**".

32 Page 6, line 34, delete "through" and insert "**and ending**".

33 Page 6, line 40, after "Subtract the" insert "**amount calculated**
34 **under**".

35 Page 6, line 40, after "TWO" delete "amount".

36 Page 6, line 40, after "from the" insert "**amount calculated under**".

37 Page 6, line 41, delete "amount".

38 Page 6, between lines 41 and 42, begin a new line block indented

1 and insert:

2 **"STEP FIVE: From the amount calculated under STEP**
 3 **FOUR, distribute to a hospital established and operated under**
 4 **IC 16-22-8 an amount equal to one hundred percent (100%)**
 5 **of the difference between:**

6 **(A) the aggregate payments for covered services made**
 7 **under this article to the hospital, excluding payments**
 8 **under IC 12-15-16 and IC 12-15-19; and**

9 **(B) a reasonable estimate of the amount that would have**
 10 **been paid for the services described in subdivision (1)**
 11 **under Medicare payment principles.**

12 **The actual distribution of the amount calculated under this**
 13 **STEP shall be made pursuant to the terms and conditions**
 14 **provided for the hospital in the state plan for medical**
 15 **assistance.**

16 **STEPSIX: Subtract the amount calculated under STEP FIVE**
 17 **from the amount calculated under STEP FOUR."**

18 Page 6, line 42, delete "FIVE" and insert "SEVEN".

19 Page 7, line 1, delete "FOUR" and insert "SIX".

20 Page 7, line 6, reset in roman "each".

21 Page 7, line 6, delete "the period".

22 Page 7, delete line 7.

23 Page 7, line 8, delete "close of a".

24 Page 7, line 8, delete "ending after June 30, 2001. Payment for".

25 Page 7, delete line 9.

26 Page 7, line 10, delete "be made before December 31, 2001." and
 27 insert **"Payment for a state fiscal year ending after June 30, 2001,**
 28 **shall be made before December 31 following the state fiscal year's**
 29 **end."**

30 Page 7, line 13, delete "IC 16-22" and insert **"IC 16-22-2"**.

31 Page 7, line 18, delete "the period beginning January 1, 2001,
 32 through June 30,".

33 Page 7, line 19, delete "2001, and after the close of".

34 Page 7, line 19, delete "ending after June" and insert ".".

35 Page 7, line 20, delete "30, 2001.".

36 Page 7, line 24, after "fund" insert **"the state's share of payments**
 37 **under this section and"**.

38 Page 7, line 25, after "IC 12-15-20-2(2)" insert ", ".

Page 7, line 25, after "and" insert **"payments for the uninsured parents program under"**.

Page 7, line 29, delete "FIVE" and insert **"SEVEN"**.

Page 7, between lines 38 and 39, begin a new paragraph and insert:
"(g) For the state fiscal year beginning July 1, 2000, and ending June 30, 2001, the amount calculated under STEP THREE of subsection (b) shall be adjusted to account for the portion of the state fiscal year prior to the effective date of the federal regulation establishing the Medicaid upper payment limit for non-state government owned or operated hospitals at one hundred fifty percent (150%) of Medicare reimbursement rates.

(h) For purposes of calculating the amount under STEP THREE of subsection (b), the amount attributable to the period of the state fiscal year described in subsection (g) shall be the maximum payment amount available without exceeding the Medicaid upper payment limit applicable for non-state owned or operated hospitals for that period."

Replace the effective date in SECTION 8 with "[EFFECTIVE JULY 1, 2001]".

Page 8, line 7, delete "." and insert **"and funds available under IC 12-16-14.1-3."**

Page 9, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 12. IC 12-15-15-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12. The office may not increase the base amount used to calculate reimbursement rates for inpatient and outpatient hospital services over the base amount used by the office on January 1, 2001."

Page 9, between lines 40 and 41, begin a new paragraph and insert:
"SECTION 18. IC 12-15-16-3, AS AMENDED BY P.L.113-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2002]: Sec. 3. (a) For purposes of disproportionate share eligibility, a provider's low income utilization rate is the sum of the following, based on the most recent year for which an audited cost report is on file with the office:

(1) A fraction (expressed as a percentage) for which:

(A) the numerator is the sum of:

(i) the total Medicaid patient revenues paid to the provider;

- 1 plus
- 2 (ii) the amount of the cash subsidies received directly from
- 3 state and local governments, including payments made
- 4 under the hospital care for the indigent program (IC
- 5 12-16-2) **(before its repeal)**; and
- 6 (B) the denominator is the total amount of the provider's
- 7 patient revenues paid to the provider, including cash subsidies;
- 8 and
- 9 (2) A fraction (expressed as a percentage) for which:
- 10 (A) the numerator is the total amount of the provider's charges
- 11 for inpatient services that are attributable to care provided to
- 12 individuals who have no source of payment; and
- 13 (B) the denominator is the total amount of charges for
- 14 inpatient services.
- 15 (b) The numerator in subsection (a)(1)(A) does not include
- 16 contractual allowances and discounts other than for indigent patients
- 17 not eligible for Medicaid."
- 18 Page 12, line 26, delete "JANUARY 1, 2001" and insert "JULY 1,
- 19 2000".
- 20 Page 12, line 42, delete "for the period before January 1, 2001," and
- 21 insert **"for the state fiscal years ending on or before June 30, 2000"**.
- 22 Page 13, delete lines 4 through 28.
- 23 Page 13, line 29, delete "(C)" and insert **"(B)"**.
- 24 Page 13, line 31, delete "2001" and insert **"2000"**.
- 25 Page 13, line 35, delete "IC 12-15-15.1" and insert **"IC**
- 26 **12-15-15.1(b)"**.
- 27 Page 14, line 7, delete "clauses" and insert **"clause"**.
- 28 Page 14, line 7, delete "and (C)".
- 29 Page 14, line 9, delete "disproportionate" and insert **"Medicaid**
- 30 **add-on payments to hospitals licensed under IC 16-21 pursuant to**
- 31 **a payment methodology developed by the office."**
- 32 Page 14, delete line 10, begin a new paragraph and insert:
- 33 "SECTION 13. IC 12-15-41 IS ADDED TO THE INDIANA CODE
- 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 35 JULY 1, 2001]:
- 36 **Chapter 41. Annual Review of Medicaid Nursing Facility**
- 37 **Residents**
- 38 **Sec. 1. "Minimum data set" or "MDS" means a core set of**

screening and assessment elements, including common definitions and coding categories, used as:

(1) a comprehensive assessment for all residents of long term care facilities certified to participate in the Medicaid program; and

(2) a standardized communication about resident problems, strengths, and conditions within the facilities, between facilities, and between facilities and outside agencies.

Sec. 2. A nursing facility certified to provide nursing facility care to Medicaid recipients shall submit to the office annually minimum data set (MDS) information for each of its Medicaid residents.

Sec. 3. (a) The office or the office's designated contractor shall evaluate the MDS information submitted for each Medicaid resident. The evaluation must consist of an assessment of the following:

(1) The individual's medical needs.

(2) The availability of services, other than services provided in a nursing facility, that are appropriate to the individual's needs.

(3) The cost effectiveness of providing services appropriate to the individual's needs that are provided outside of, rather than within, a nursing facility.

(b) The assessment must be conducted in accordance with rules adopted under IC 4-22-2 by the office.

Sec. 4. If the office determines under section 3 that an individual's needs could be met in a setting other than a nursing facility and in a cost effective manner, the office shall counsel the individual and provide the individual with written notice containing the following:

(1) The reasons for the office's determination.

(2) A detailed description of services available to the individual that, if used by the individual, make the continued placement of the individual in a nursing facility inappropriate."

Page 14, line 16, delete "2001" and insert "2002".

Page 16, line 22, delete "under" and insert "by".

Page 16, line 23, delete ":" and insert ",".

- 1 Page 16, line 24, delete "(1)".
- 2 Page 16, line 27, delete "; and" and insert ".".
- 3 Page 16, run in lines 23 through 27.
- 4 Page 16, delete line 28.
- 5 Page 16, between lines 28 and 29, begin a new paragraph and insert:
- 6 "SECTION 19. IC 12-16.1 IS ADDED TO THE INDIANA CODE
- 7 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY
- 8 1, 2003]:
- 9 **ARTICLE 16.1. HOSPITAL CARE FOR THE INDIGENT**
- 10 **Chapter 1. Applicability**
- 11 **Sec. 1. This article applies only if the office of the uninsured**
- 12 **parents program established by IC 12-17.7-2-1 does not implement**
- 13 **an uninsured parents program before July 1, 2003.**
- 14 **Chapter 2. Administration and General Provisions**
- 15 **Sec. 1. The division shall administer the hospital care for the**
- 16 **indigent program under this article.**
- 17 **Sec. 2. The division shall adopt necessary forms to be used by**
- 18 **the patients, hospitals, physicians, and county offices in carrying**
- 19 **out the hospital care for the indigent program.**
- 20 **Sec. 3. The following persons have the same rights and**
- 21 **obligations with respect to the hospital care for the indigent**
- 22 **program as the persons have with respect to the Medicaid program**
- 23 **under IC 12-15-8 and IC 12-15-29:**
- 24 **(1) The division.**
- 25 **(2) Applicants and recipients of assistance.**
- 26 **(3) Insurers.**
- 27 **(4) Persons against whom applicants and recipients of**
- 28 **assistance have claims.**
- 29 **(5) The office of Medicaid policy and planning.**
- 30 **Sec. 4. To the extent permitted under federal statutes or**
- 31 **regulations, patient days for patients under the hospital care for**
- 32 **the indigent program shall be included in calculating allowable**
- 33 **disproportionate share additional payments under 42 U.S.C.**
- 34 **1395ww(d).**
- 35 **Sec. 5. The hospital care for the indigent program does not**
- 36 **apply to inmates and patients of institutions of the department of**
- 37 **correction, the state department of health, the division of mental**
- 38 **health, or the division of disability, aging, and rehabilitative**

1 services.

2 **Chapter 3. Eligibility for Assistance**

3 **Sec. 1. (a) An Indiana resident who meets the income and**
 4 **resource standards established by the division under section 3 of**
 5 **this chapter is eligible for assistance to pay for any part of the cost**
 6 **of care provided in a hospital in Indiana that was necessitated after**
 7 **the onset of a medical condition that was manifested by symptoms**
 8 **of sufficient severity that the absence of immediate medical**
 9 **attention would probably result in any of the following:**

10 (1) Placing the individual's life in jeopardy.

11 (2) Serious impairment to bodily functions.

12 (3) Serious dysfunction of a bodily organ or part.

13 **(b) A qualified resident is also eligible for assistance to pay for**
 14 **the part of the cost of care that is a direct consequence of the**
 15 **medical condition that necessitated the emergency care.**

16 **Sec. 2. (a) An individual who is not an Indiana resident is**
 17 **eligible for assistance to pay for the part of the cost of care**
 18 **provided in a hospital in Indiana that was necessitated after the**
 19 **onset of a medical condition that was manifested by symptoms of**
 20 **sufficient severity that the absence of immediate medical attention**
 21 **would probably result in any of the following:**

22 (1) Placing the individual's life in jeopardy.

23 (2) Serious impairment to bodily functions.

24 (3) Serious dysfunction of any bodily organ or part.

25 **(b) An individual is eligible for assistance under subsection (a)**
 26 **only if the following qualifications exist:**

27 (1) The individual meets the income and resource standards
 28 established by the division under section 3 of this chapter.

29 (2) The onset of the medical condition that necessitated
 30 medical attention occurred in Indiana.

31 **Sec. 3. (a) The division shall adopt rules under IC 4-22-2 to**
 32 **establish income and resource eligibility standards for patients**
 33 **whose care is to be paid for under the hospital care for the indigent**
 34 **program.**

35 **(b) To the extent possible, rules adopted under this section must**
 36 **meet the following conditions:**

37 (1) Be consistent with IC 12-15-21-2 and IC 12-15-21-3.

38 (2) Be adjusted at least one (1) time every two (2) years.

1 (c) The income and eligibility standards established under this
 2 section do not include any spend down provisions available under
 3 IC 12-15-21.

4 (d) In addition to the conditions imposed under subsection (b),
 5 rules adopted under this section must exclude a Holocaust victim's
 6 settlement payment received by an eligible individual from the
 7 income and eligibility standards for patients whose care is to be
 8 paid for under the hospital care for the indigent program.

9 Sec. 4. A hospital shall provide a patient and, if the patient is not
 10 able to understand the statement, the patient's representative with
 11 a statement of the eligibility and benefit standards adopted by the
 12 division if at least one (1) of the following occurs:

13 (1) The hospital has reason to believe that the patient may be
 14 indigent.

15 (2) The patient requests a statement of the standards.

16 Chapter 4. Application for Assistance

17 Sec. 1. To receive payment from the division for the costs
 18 incurred in providing care to an indigent person, a hospital must
 19 file an application with the county office of the county in which the
 20 hospital is located.

21 Sec. 2. A hospital must file the application with a county office
 22 not more than thirty (30) days after the patient has been admitted
 23 to the hospital, unless the patient is medically unable to sign the
 24 application and the next of kin or legal representative of the patient
 25 is unavailable.

26 Sec. 3. The division shall adopt rules under IC 4-22-2
 27 prescribing the following:

28 (1) The form of an application.

29 (2) The establishment of procedures for applications.

30 (3) The time for submitting and processing claims.

31 Sec. 4. The division and a county office shall make application
 32 forms available to a hospital upon request.

33 Sec. 5. A hospital or an attending physician may assist the
 34 patient in the preparation of an application for assistance under
 35 the hospital care for the indigent program.

36 Sec. 6. A person who in good faith provides assistance in the
 37 completion of an application under this chapter is immune from
 38 civil or criminal liability arising from the assistance.

1 **Sec. 7. (a) A patient must sign an application if the patient is**
 2 **medically able to sign.**

3 **(b) If a patient is medically unable to sign an application, the**
 4 **patient's next of kin or a legal representative of the patient, if**
 5 **available, may sign the application.**

6 **(c) If no person under subsections (a) and (b) is able to sign the**
 7 **application to file a timely application, a hospital representative**
 8 **may sign the application instead of the patient.**

9 **Sec. 8. (a) A patient may file an application directly with the**
 10 **county office in the county where the hospital providing care is**
 11 **located if the application is filed not more than thirty (30) days**
 12 **after the patient's admission to the hospital.**

13 **(b) Reimbursement for the costs incurred in providing care to**
 14 **an eligible person may only be made to the providers of the care.**

15 **Chapter 5. Eligibility Determinations; Investigations**

16 **Sec. 1. A county office shall, upon receipt of an application of a**
 17 **patient admitted to a hospital, promptly investigate to determine**
 18 **the patient's eligibility under the hospital care for the indigent**
 19 **program.**

20 **Sec. 2. (a) The hospital providing medical care to a patient shall**
 21 **provide information the hospital has that would assist in the**
 22 **verification of indigency of a patient.**

23 **(b) A hospital that provides information under subsection (a) is**
 24 **immune from civil and criminal liability for divulging the**
 25 **information.**

26 **Sec. 3. If the division or county office is unable, after prompt**
 27 **and diligent efforts, to verify information contained in the**
 28 **application that is reasonably necessary to determine eligibility, the**
 29 **division or county office may deny assistance under the hospital**
 30 **care for the indigent program.**

31 **Sec. 4. The division or county office shall notify, in writing, the**
 32 **patient and the hospital of the following:**

33 **(1) A decision concerning eligibility.**

34 **(2) The reasons for a denial of eligibility.**

35 **(3) That either party has the right to appeal the decision.**

36 **Chapter 6. Denial of Eligibility; Appeals; Judicial Review**

37 **Sec. 1. If the division or county office determines that a patient**
 38 **is not eligible for payment of medical or hospital care, an affected**

1 person may appeal to the division not later than ninety (90) days
 2 after the mailing of notice of that determination to the affected
 3 person at the person's last known address.

4 Sec. 2. If the division or county office:

5 (1) fails to complete an investigation and determination of
 6 eligibility under the hospital care for the indigent program
 7 within forty-five (45) days after the receipt of the application
 8 filed under IC 12-16.1-4; or

9 (2) fails or refuses to accept responsibility for payment of
 10 medical or hospital care under the hospital care for the
 11 indigent program;

12 a person affected may appeal to the division not more than ninety
 13 (90) days after the receipt of the application filed under
 14 IC 12-16.1-4.

15 Sec. 3. The division shall fix a time and place for a hearing
 16 before a hearing officer appointed by the director of the division.

17 Sec. 4. A notice of the hearing shall be served upon all persons
 18 interested in the matter at least twenty (20) days before the time
 19 fixed for the hearing.

20 Sec. 5. (a) Following the hearing, the division shall determine the
 21 eligibility of the person for payment of the cost of medical or
 22 hospital care under the hospital care for the indigent program.

23 (b) If the person is found eligible, the division shall pay the
 24 reasonable cost of the care to the persons furnishing the care,
 25 subject to the limitations in IC 12-16.1-7.

26 Sec. 6. A person aggrieved by a determination under section 5(a)
 27 of this chapter may appeal the determination under IC 4-21.5.

28 Sec. 7. (a) The division shall adopt rules under IC 4-22-2 that
 29 provide for an administrative appeal procedure that is responsive
 30 to the needs of patients and providers.

31 (b) The procedure must provide for the following:

32 (1) The location of hearings.

33 (2) The presentation of evidence.

34 (3) The use of telecommunications.

35 Chapter 7. Cost of Care and Payment

36 Sec. 1. The division shall pay the following, subject to the
 37 limitations in section 4 of this chapter:

38 (1) The necessary costs of medical or hospital care for

1 indigent patients.

2 (2) The cost of transportation to the place of treatment arising
3 out of the medical or hospital care for indigent patients.

4 Sec. 2. (a) Except as provided in section 5 of this chapter, claims
5 for payment shall be segregated by year using the patient's
6 admission date.

7 (b) Each year, the division shall pay claims as provided in
8 section 4 of this chapter without regard to the county of admission
9 or that county's transfer to the state fund.

10 Sec. 3. A payment made to a hospital under the hospital care for
11 the indigent program must be on a warrant drawn on the state
12 hospital care for the indigent fund established under IC 12-16-14.

13 Sec. 4. (a) Each year, the division shall pay two-thirds (2/3) of
14 each claim upon submission and approval of the claim.

15 (b) If the amount of money in the state hospital care for the
16 indigent fund in a year is insufficient to pay two-thirds (2/3) of each
17 approved claim for patients admitted in that year, the state's and
18 a county's liability to providers under the hospital care for the
19 indigent program for claims approved for patients admitted in that
20 year is limited to the sum of the following:

21 (1) The amount transferred to the state hospital care for the
22 indigent fund from county hospital care for the indigent funds
23 in that year under IC 12-16.1-14.

24 (2) Any contribution to the fund in that year.

25 (3) Any amount that was appropriated to the state hospital
26 care for the indigent fund for that year by the general
27 assembly.

28 (4) Any amount that was carried over to the state hospital
29 care for the indigent fund from a preceding year.

30 (c) This section does not obligate the general assembly to
31 appropriate money to the state hospital care for the indigent fund.

32 Sec. 5. Before the end of each state fiscal year, the division shall,
33 to the extent there is money in the state hospital care for the
34 indigent fund, pay each provider under the hospital care for the
35 indigent program a pro rata part of the one-third (1/3) balance on
36 each approved claim for patients admitted during the preceding
37 year.

38 Sec. 6. If:

1 (1) a claim for a patient admitted during a particular year is
2 not submitted by the deadline established by the division; and

3 (2) the failure to submit the claim is not the fault of the
4 provider;

5 the claim shall be considered a claim for the year the claim is
6 submitted for purposes of payment under this chapter.

7 Sec. 7. The division and a county office are not responsible
8 under the hospital care for the indigent program for the payment
9 of any part of the costs of providing care in a hospital to an
10 individual who is not either of the following:

11 (1) A citizen of the United States.

12 (2) A lawfully admitted alien.

13 Sec. 8. The division and a county office are not liable for any
14 part of the cost of care provided to an individual who has been
15 determined to be a patient described in the rules adopted under
16 IC 12-16.1-10.

17 Sec. 9. IC 12-16.1-2 through IC 12-16.1-16 do not affect the
18 liability of a county with respect to claims for hospital care for the
19 indigent for patients admitted before January 1, 1987.

20 Sec. 10. (a) The budget agency shall estimate for each fiscal year
21 the cost savings to the state hospital care for the indigent fund as
22 the result of the provision of Medicaid to an individual described
23 in IC 12-15-2-12 and IC 12-15-2-13.

24 (b) The budget agency shall, each fiscal year, recommend to the
25 general assembly that an amount equal to the cost savings
26 described in subsection (a) be transferred from the state hospital
27 care for the indigent fund to the state general fund.

28 Sec. 11. Providers eligible for payment under IC 12-15-15-9 may
29 not receive payment under this chapter.

30 Sec. 12. All providers receiving payment under this chapter
31 agree to accept, as payment in full, the amount paid for the hospital
32 care for the indigent program for those claims submitted for
33 payment under the program, with the exception of authorized
34 deductibles, co-insurance, co-payment, or similar cost sharing
35 charges.

36 Chapter 8. Disproportionate Share Providers

37 Sec. 1. As used in this chapter, "inpatient days" includes:

38 (1) days provided by an acute care subunit of the provider;

1 **and**

2 **(2) inpatient days attributable to Medicaid and hospital care**
 3 **for the indigent beneficiaries from other states.**

4 **Sec. 2. A payment adjustment consisting of an additional**
 5 **percentage payment for each service paid under the hospital care**
 6 **for the indigent program made to a disproportionate share hospital**
 7 **licensed under IC 16-21 that meets the requirements under section**
 8 **3 of this chapter.**

9 **Sec. 3. A provider is a disproportionate share hospital if the**
 10 **provider's Medicaid inpatient utilization rate is at least one (1)**
 11 **standard deviation above the mean Medicaid inpatient utilization**
 12 **rate for providers receiving Medicaid payments in Indiana.**

13 **Sec. 4. A provider's Medicaid inpatient utilization rate is a**
 14 **fraction (expressed as a percentage) in which:**

15 **(1) the numerator is the provider's total number of Medicaid**
 16 **and health care for the indigent inpatient days in a cost**
 17 **reporting period; and**

18 **(2) the denominator is the total number of the provider's**
 19 **inpatient days in that same period.**

20 **Sec. 5. A disproportionate share hospital must receive a twenty**
 21 **percent (20%) adjustment for each service.**

22 **Chapter 9. Rate of Payment**

23 **Sec. 1. The rate of payment for the services and materials**
 24 **provided by hospitals and physicians under the hospital care for**
 25 **the indigent program is the same rate as payment for the same type**
 26 **of services and materials under the rules adopted by the secretary**
 27 **under Medicaid.**

28 **Chapter 10. Rules**

29 **Sec. 1. The division shall, with the advice of the division's**
 30 **medical staff, the division of mental health, the division of**
 31 **disability, aging, and rehabilitative services, and other individuals**
 32 **selected by the director of the division, adopt rules under IC 4-22-2**
 33 **to do the following:**

34 **(1) Provide for review and approval of services paid under the**
 35 **hospital care for the indigent program.**

36 **(2) Establish limitations consistent with medical necessity on**
 37 **the duration of services to be provided.**

38 **(3) Specify the amount of and method for reimbursement for**

1 services.

2 (4) Specify the conditions under which payments will be
3 denied and improper payments will be recovered.

4 Sec. 2. To the extent possible, rules adopted under section 1 of
5 this chapter must be consistent with IC 12-15-21-2 and
6 IC 12-15-21-3.

7 Sec. 3. The rules adopted under section 1 of this chapter must
8 include rules that will deny payment for services provided to a
9 patient after the patient is medically stable and can safely be
10 discharged.

11 Sec. 4. (a) The division shall adopt rules under IC 4-22-2
12 necessary to establish a statewide collection system of data
13 concerning the hospital care for the indigent program.

14 (b) The following data must be collected:

15 (1) Patient demographics.

16 (2) Types of services provided by hospitals.

17 (3) Costs of particular types of services provided by hospitals.

18 (c) A hospital that provides services under the hospital care for
19 the indigent program shall file copies of all claims submitted under
20 the program with the contractor engaged by the division to
21 adjudicate claims.

22 Sec. 5. The division may adopt rules under IC 4-22-2 that are in
23 addition to and consistent with the rules required to be adopted
24 under IC 12-16.1-6 governing appeals brought under the hospital
25 care for the indigent program to the division.

26 Chapter 11. Recovery of Payments by Division

27 Sec. 1. The division may recover amounts paid under the
28 hospital care for the indigent program by the division from the
29 following:

30 (1) A patient approved for assistance.

31 (2) A person legally responsible for those patients approved
32 for assistance.

33 (3) The estate of the patient or person.

34 Sec. 2. The division is subrogated, to the extent of the assistance
35 given by the division, to the rights that a patient receiving
36 assistance under the hospital care for the indigent program has
37 against any other person who is in any part liable for the illness or
38 injury for which assistance was granted.

**Chapter 12. County With Health and Hospital Corporation;
Responsibility for Medical Cost**

Sec. 1. This chapter applies to a county having a health and hospital corporation created under IC 16-22-8-6.

Sec. 2. The division is responsible for the emergency medical care given in a hospital to an individual who qualifies for assistance under this chapter, subject to the limitations in IC 12-16.1-7.

Sec. 3. The hospital providing care shall transfer the patient to a hospital operated by the health and hospital corporation as soon as the attending physician determines that the patient's medical condition permits the transfer without risk of injury to the patient.

Sec. 4. (a) If a hospital owned by the health and hospital corporation is:

(1) unable to care for a patient; or

(2) unable to treat a patient at the time a transfer is requested by the hospital initiating treatment;

the hospital initiating treatment may continue to treat the patient until the patient's discharge.

(b) Subject to the limitations in IC 12-16.1-7, the division shall pay the costs of care.

Sec. 5. The division is not responsible for the following:

(1) The payment of nonemergency medical costs, except as provided under the hospital care for the indigent program.

(2) The payment of medical costs accrued at a hospital owned or operated by a health and hospital corporation, except for hospital care provided under this chapter to a person not residing in Marion County.

Chapter 13. Immunity

Sec. 1. A hospital, a physician, or an agent or employee of a hospital or physician that provides services in good faith under the hospital care for the indigent program is immune from liability to the extent the liability is attributable to at least one (1) of the following:

(1) The requirement that a patient be transferred under IC 12-16.1-12.

(2) The denial of payment under IC 12-16.1-10.

Sec. 2. Section 1(1) of this chapter does not limit liability for the determination that the patient's medical condition permits a

1 transfer under IC 12-16.1-12.

2 **Chapter 14. Property Tax Levy and Funds**

3 **Sec. 1. A county hospital care for the indigent fund is established**
 4 **in each county. The fund consists of the following:**

- 5 (1) A tax levy on the property located in each county.
- 6 (2) The financial institutions tax (IC 6-5.5), motor vehicle
- 7 excise taxes (IC 6-6-5), and commercial vehicle excise taxes
- 8 (IC 6-6-5.5) that are allocated to the fund.

9 **Sec. 2. (a) The tax required by section 1(1) of this chapter shall**
 10 **be imposed annually by the county fiscal body on all of the taxable**
 11 **property of the county.**

12 **(b) The tax shall be collected as other state and county ad**
 13 **valorem property taxes are collected.**

14 **Sec. 3. Each county shall impose a hospital care for the indigent**
 15 **tax levy equal to the product of:**

- 16 (1) the most recent hospital care for the indigent property tax
- 17 levied by the county; multiplied by
- 18 (2) the statewide average assessed value growth quotient,
- 19 using all the county assessed value growth quotients
- 20 determined under IC 6-1.1-18.5-2 for the year in which the tax
- 21 levy under this section will be first due and payable.

22 **Sec. 4. The state board of tax commissioners shall review each**
 23 **county's property tax levy under this chapter and shall enforce the**
 24 **requirements of this chapter with respect to that levy.**

25 **Sec. 5. All receipts derived from the tax levy shall be paid into**
 26 **the county general fund and constitute the county hospital care for**
 27 **the indigent fund.**

28 **Sec. 6. (a) The state hospital care for the indigent fund is**
 29 **established.**

30 **(b) Before the fifth day of each month, all money contained in a**
 31 **county hospital care for the indigent fund at the end of the**
 32 **preceding month shall be transferred to the state hospital care for**
 33 **the indigent fund.**

34 **Sec. 7. (a) The state hospital care for the indigent fund consists**
 35 **of the following:**

- 36 (1) Money transferred to the state hospital care for the
- 37 indigent fund from the county hospital care for the indigent
- 38 funds.

1 (2) Any contributions to the fund from individuals,
2 corporations, foundations, or others for the purpose of
3 providing hospital care for the indigent.

4 (3) Money advanced to the fund under IC 12-16.1-15.

5 (4) Appropriations made specifically to the fund by the
6 general assembly.

7 (b) This section does not obligate the general assembly to
8 appropriate money to the state hospital care for the indigent fund.

9 Sec. 8. The division shall administer the state hospital care for
10 the indigent fund and shall use the money currently in the fund to
11 defray the expenses and obligations incurred by the division for
12 hospital care for the indigent. The money in the fund is hereby
13 appropriated.

14 Sec. 9. Money in the state hospital care for the indigent fund at
15 the end of a state fiscal year remains in the fund and does not
16 revert to the state general fund.

17 Chapter 15. Advancements From State Fund

18 Sec. 1. The division may request an advancement of money from
19 the state general fund in anticipation of county property tax
20 revenue being transferred to the state hospital care for the indigent
21 fund.

22 Sec. 2. (a) The budget director shall determine an interest rate
23 that is at least the interest rate earned by the state on investments
24 made from money in the state general fund.

25 (b) The interest rate shall be paid on the amount that is
26 advanced from the state general fund.

27 Sec. 3. The amount that may be advanced, plus the projected
28 interest on that amount, may not exceed the amount of county
29 property tax revenue that is expected to be transferred to the state
30 hospital care for the indigent fund during the six (6) months
31 following the date of the request.

32 Sec. 4. A request for an advancement must be submitted to the
33 budget agency.

34 Sec. 5. The state board of finance may, on the recommendation
35 of the director of the budget agency, approve an advancement.

36 Sec. 6. If an advancement is approved, the county property tax
37 revenue transferred to the state hospital care for the indigent fund
38 shall be immediately used to repay the amount of the interest and

1 advancements made under this section.

2 **Chapter 16. Review of Medical Criteria**

3 **Sec. 1. The division shall review changes made after 1985 in the**
 4 **medical criteria used to establish whether a patient is eligible for**
 5 **assistance under IC 12-16.1-3.**

6 **Sec. 2. The division's review under this chapter must include the**
 7 **application of the criteria to specific cases and address whether**
 8 **changes to or clarification of the criteria is necessary so that, in**
 9 **practice, the criteria are consistent with the hospital care for the**
 10 **indigent program.**

11 **Sec. 3. The division shall provide to an interested party a report**
 12 **of the division's review, including the division's findings,**
 13 **conclusions, and recommendations."**

14 Page 16, between lines 35 and 36, begin a new paragraph and insert:

15 **"Sec. 2. (a) "Caretaker relative" means a blood relative and**
 16 **those of half blood.**

17 **(b) The term includes an adoptive parent, grandparent, sibling,**
 18 **and a relative of an adoptive parent.**

19 **(c) The term also includes a spouse of an individual described in**
 20 **subsection (b), even after the marriage is terminated by death or**
 21 **dissolution."**

22 Page 16, line 36, delete "2." and insert "3."

23 Page 17, line 5, delete "3." and insert "4."

24 Page 17, line 7, delete "4." and insert "5."

25 Page 18, line 21, delete "parent" and insert "caretaker relative".

26 Page 19, between lines 30 and 31, begin a new paragraph and insert:

27 **"Sec. 4. (a) The office shall offer health insurance coverage for**
 28 **the following additional services if the coverage for the services has**
 29 **an actuarial value equal to or greater than the actuarial value of**
 30 **the services provided by the benchmark program determined by**
 31 **the children's health policy board established by IC 4-23-27-2:**

32 **(1) Prescription drugs.**

33 **(2) Mental health services.**

34 **(3) Vision services.**

35 **(4) Hearing services.**

36 **(5) Dental services.**

37 **(b) The office may not impose treatment limitations or financial**
 38 **requirements on the coverage of services for a mental illness if**

- 1 **similar treatment limitations or financial requirements are not**
- 2 **imposed on coverage for services for other illnesses."**
- 3 Page 19, line 31, delete "4." and insert "5."
- 4 Page 19, line 33, delete "5." and insert "6."
- 5 Page 20, line 18, delete "has" and insert "**shall have**".
- 6 Page 22, line 5, delete "not" and insert "**only**".
- 7 Page 22, line 5, delete "any person" and insert "**the following:**
- 8 **(1) Another provider involved or potentially involved in the**
- 9 **care of the individual.**
- 10 **(2) A person who:**
- 11 **(A) works under the authority of a provider described in**
- 12 **subdivision (1); and**
- 13 **(B) requires the information for the provider's legitimate**
- 14 **business or clinical purposes."**
- 15 Page 22, between lines 15 and 16, begin a new paragraph and insert:
- 16 **"Sec. 1. This chapter applies beginning July 1, 2002."**
- 17 Page 22, line 16, delete "1" and insert "2".
- 18 Page 22, line 29, delete "2" and insert "3".
- 19 Page 22, line 29, delete "1(a)(1)" and insert "**2(a)(1)**".
- 20 Page 22, line 34, delete "1(a)(1)" and insert "**2(a)(1)**".
- 21 Page 22, line 37, delete "3" and insert "4".
- 22 Page 22, line 37, delete "sections 4 and 5" and insert "**sections 5**
- 23 **and 6"**.
- 24 Page 22, line 37, delete "section 5" and insert "**section 6**".
- 25 Page 22, line 42, after "equal" insert "**ninety percent (90%) of**".
- 26 Page 23, line 9, after "equal" insert "**ninety percent (90%) of**".
- 27 Page 23, line 27, delete "4" and insert "5".
- 28 Page 24, line 14, delete "3(3)" and insert "**4(3)**".
- 29 Page 24, line 15, delete "5" and insert "6".
- 30 Page 25, line 2, delete "3(3)" and insert "**4(3)**".
- 31 Page 25, line 3, delete "6" and insert "7".
- 32 Page 25, line 6, delete "7" and insert "8".
- 33 Page 26, between lines 39 and 40, begin a new paragraph and insert:
- 34 "SECTION 26. IC 34-30-2-45.5 IS ADDED TO THE INDIANA
- 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE JUNE 30, 2002]: **Sec. 45.5. IC 12-16.1-4-6 (Concerning**
- 37 **persons who aid a patient in completing an application for**
- 38 **assistance under the hospital care for the indigent program).**

1 SECTION 27. IC 34-30-2-45.7 IS ADDED TO THE INDIANA
 2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JUNE 30, 2002]: **Sec. 45.7. IC 12-16.1-5-2 (Concerning**
 4 **hospitals for providing information verifying indigency of patient).**

5 SECTION 28. IC 34-30-2-45.9 IS ADDED TO THE INDIANA
 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JUNE 30, 2002]: **Sec. 45.9. IC 12-16.1-13-1**
 8 **(Concerning hospitals or persons providing services under the**
 9 **hospital care for the indigent program).".**

10 Page 27, delete lines 19 through 23.

11 Page 27, line 24, after "19." insert "IC 12-10-12-27.1;
 12 IC 12-10-12-28.5".

13 Page 27, between lines 27 and 28, begin a new paragraph and insert:

14 "SECTION 30. THE FOLLOWING ARE REPEALED
 15 [EFFECTIVE JULY 1, 2002]: IC 12-7-2-118; IC 12-16-2; IC 12-16-3;
 16 IC 12-16-4; IC 12-16-5; IC 12-16-6; IC 12-16-7; IC 12-16-8;
 17 IC 12-16-9; IC 12-16-10; IC 12-16-11; IC 12-16-12; IC 12-16-13;
 18 IC 12-16-15; IC 12-16-16; IC 34-30-2-44; IC 34-30-2-45;
 19 IC 34-30-2-45.3".

20 Page 27, line 28, delete "JUNE 30" and insert "JULY 1".

21 Page 27, delete lines 36 through 42.

22 Page 28, delete lines 1 through 3.

23 Page 28, between lines 26 and 27, begin a new paragraph and insert:

24 **"(e) Notwithstanding subsection (d), the office shall not in any**
 25 **event implement the state plan amendment and waiver:**

26 **(1) before July 1, 2002; and**

27 **(2) before requisite funds for the program's implementation**
 28 **are available or projected to be available, as determined by**
 29 **the office.".**

30 Page 28, line 27, delete "(e)" and insert "(f)".

- 1 Page 28, line 32, delete "(f)" and insert "**(g)**".
- 2 Page 28, line 41, delete "(g)" and insert "**(h)**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1727 as introduced.)

and when so amended that said bill do pass.

Representative Bauer